****Human Services Department

Medical Assistance Division

**Nursing Facility (NF) Level of Care (LOC) Criteria**

**as of January 1, 2014**

Fact Sheet

**1. What are NF LOC criteria?**

* NF LOC criteria are medical eligibility criteria that are used for all nursing facility, community benefit, and PACE recipients.
* The recipient must need assistance with at least two (2) activities of daily living (ADLs) to be medically eligible for the benefits. Examples of activities of daily living include dressing, bathing/grooming, eating, mobility/ transferring, daily medication, and toileting.
* For nursing facilities, Medicaid has established two payment categories of NF LOC. The categories are referred to as low (LNF) and high (HNF). LNF meets the minimum medical eligibility (above); HNF meets the LNF minimum with an additional two (2) medical criteria, such as oxygen, orientation/ behavior, medication administration, rehabilitative therapy, skilled nursing, and other clinical factors.

**2. Why were the LNF and HNF criteria revised?**

* The previous criteria were last updated in 2002.
* The Medicaid Quality Bureau conducted an audit of the previous criteria. The audit found that the HNF criteria were not well defined. Examples of findings that required more definition include administration of medication for residents with high risk profiles. The audit found residents receiving HNF for medications listed as high risk, but who had never had complications and had been stable for several months to years. These residents did not require daily skilled intervention or monitoring. The audit also found resident’s receiving oxygen that did not need skilled nursing interventions received HNF for the use of oxygen. Another example of the audit findings include physical therapies ordered but not documented as received by the residents, but HNF was given.
* The audit also revealed a lack of medical documentation or incomplete documentation received from the NFs to make consistent and objective medical eligibility determinations. The documentation missing included skilled monitoring and interventions, medication side effects, oxygen orders, and therapy notes.
* After researching best practices in other states, the Quality Bureau lead a workgroup consisting of registered nurses, physicians with Nursing Home and geriatric backgrounds, and a former nursing home administrator.
* The new criteria, developed in this workgroup, clarify and refine HNF medical criteria and standardize the medical documentation needed to make a NF LOC determination.

**3. How has the NF LOC Criteria changed?**

* The criteria now emphasize the need for documentation of Physician’s orders, interdisciplinary progress notes and skilled services both ordered and received by the NF resident.
* The LNF criteria have **not** changed from a minimum of 2 activities of daily living (ADLs).
* The HNF criteria have been clarified to include:
1. Medication category was further defined to emphasize those needing daily monitoring for high risk medication during the initiation, change in dose, or due to adverse reactions. A NF resident on these medications who has been on a stable dose and is in stable condition may no longer meet this requirement.
2. Rehabilitative therapy has changed so that therapies in excess of 300 minutes per week will now be considered as meeting the two (2) HNF requirements. (Previously it met only 1 requirement). There was also an addition of therapies in excess of 150 minutes per week that now count as one (1) HNF requirement.
3. A new behavior/orientation category has been added for residents who demonstrate behavior which threatens safety and requires daily direct clinical skilled interventions. This will now count as 1 HNF requirement.

**4. How did the NFs get trained on the new criteria?**

* The Medical Assistance Division and the Centennial Care MCOs created a collaborative training which was provided in four locations (Albuquerque, Farmington, Las Cruces and Roswell).
* Webinars from the four locations were also arranged to increase access for the NFs.
* A video recording of the training was made and will be posted on the HSD website for all NFs to access.
* Training materials have been sent out to the NFs which include the updated criteria, training presentation, and frequently asked questions.

**5. How is Medicaid overseeing the MCO process?**

* Medicaid is conducting ongoing random audits of the MCOs.
* The External Quality Review Organization (EQRO) is auditing MCO NF LOC determinations.
* The Quality Bureau clinical staff is auditing MCO NF LOC determinations and reviewing the reports from the EQRO.
* The Quality Bureau is tracking and trending the report data to ensure consistent application of the criteria.